

THE WHITE HOUSE
Office of the Press Secretary

FOR RELEASE AT 6:00 P.M.
FRIDAY, FEBRUARY 26, 1982

TEXT OF REMARKS BY THE PRESIDENT
TO THE CONSERVATIVE POLITICAL ACTION CONFERENCE

The Mayflower Hotel

Washington, D.C.

Friday, February 26, 1982

Nancy and I are delighted to be here at the Ninth Annual Conservative Political Action Conference. Anyone looking at the exciting program you have scheduled over these four days -- and the size of this gathering here tonight -- cannot help but be impressed with the energy and vitality of the conservative movement in America. We owe a special debt of gratitude to the staffs of the American Conservative Union, Young Americans for Freedom, Human Events and National Review for making this year's conference the most successful in the brief but impressive history of this event.

You may remember that when I spoke to you last year I said the election victory we enjoyed in November of 1980 was not a victory of politics so much as it was a victory of ideas; not a victory for any one man or party but a victory for a set of principles -- principles that had been protected and nourished during years of grim and heartbreaking defeats by a few dedicated Americans.

You are those Americans -- and I salute you. I've also come here tonight to remind you of how much remains to be done and to ask your help in turning into reality even more of our hopes for America and the world.

The agenda for this conference is victory -- victory in this year's crucial congressional, state and local elections.

The media coverage you have received this week and the attention paid to you by so many distinguished Americans -- in and out of government, conservative and not so conservative -- are testimony to the sea-change that you have already brought about in American politics.

But despite the glitter of nights like this, and the excitement we all still feel at the thought of enacting reforms we were able only to talk about a few years ago, we should always remember our strength still lies in our faith in the good sense of the American people -- and that the climate in Washington is still opposed to those enduring values, those "permanent things" that we have always believed in.

But Washington's fascination with passing trends and one-day headlines can sometimes cause serious problems over in the West Wing of the White House. There is the problem of leaks. Before we even announced the give-away of surplus cheese, the warehouse mice had hired a lobbyist.

-More-

Then a few weeks ago, those stories broke about the Kennedy tapes. That caused a stir.

Washington is a place of fads and one-week stories; it is also a company town. And the company's name is Government, Big Government.

I have a sneaking suspicion that a few of you just might have agreed when we decided not to ask Congress for higher taxes. And I hope you realize it's going to take more than 402 days to completely change what's been going on for forty years.

I realized that the other day when I read a story about one private citizen in Louisiana who asked for help in developing his property and got a letter back that said: "We have observed that you have not traced the title prior to 1803. Before final approval, it will be necessary that the title be traced previous to that year."

His answer was eloquent. "Gentlemen," he wrote, "I am unaware that any educated man failed to know that Louisiana was purchased from France in 1803. The title of the land was acquired by France by right of conquest from Spain. The land came into possession of Spain in 1492 by right of discovery by an Italian sailor, Christopher Columbus. The good Queen Isabella took the precaution of receiving the blessing of the Pope ... The Pope is emissary of the Son of God who made the world. Therefore, I believe that it is safe to assume that he also made the part of the United States called Louisiana. And I hope to hell you're satisfied."

Changing the habits of four decades, is, as I say, going to take more than 402 days. But change will come -- if we conservatives are in this for the long haul; if we owe our first loyalty to the ideas and principles we discussed, debated, developed and popularized over the years.

Last year I pointed to these principles as the real source of our strength as a political movement and mentioned some of the intellectual giants who fostered and developed them. Men like Frank Meyer who reminded us that the robust individualism of America was part of deeper currents in western civilization, currents that dictated respect for the law and the careful preservation of our political traditions.

Only a short time ago, conservatives filled this very room for a testimonial dinner to a great conservative intellect and scholar -- author of The Conservative Mind -- Russell Kirk.

In a recent speech, Dr. Kirk has offered some political advice for the upcoming elections -- he said now more than ever we must seek out the "gift of audacity." We must not become too comfortable with our newfound status in Washington. "When the walls of order are breached, the vigorous conservative must exclaim: Arm me, audacity, from head to foot." It was Napoleon, master of the huge battalions, who once said, "it is imagination that rules the human race" and Disraeli who mentioned that "success is the child of audacity."

We must approach the upcoming elections with a forthright and direct message for the American people. We must remind them of the economic catastrophe that we faced on January 20, 1981: Millions out of work, inflation in double digits for two years in a row, interest rates hovering at 21½ percent, productivity and the rate of growth in the G.N.P. down for the third year in a row, the money supply increasing by 12 percent

-More-

And all this due to one overriding cause: Government was too big and it spent too much money. Federal spending in the last decade went up more than 300 percent. In 1980 alone, it increased by 17 percent. Almost three-quarters of the federal budget was routinely referred to as "uncontrollable" largely due to increases in programs like food stamps, which in 15 years had increased 16,000 percent, or Medicare and Medicaid, up by more than 500 percent in just 10 years. Our national debt was approaching one trillion dollars and we were paying nearly \$100 billion a year in interest on that debt -- more than enough money to run the entire federal government only 20 years ago.

In an effort to keep pace, taxes had increased by 220 percent in just 10 years and we were looking at a tax increase from 1980 to 1984 of more than \$300 billion.

Unless we stopped the spending juggernaut, and reversed the trend towards even higher taxes, government by 1984 would be taking nearly one-quarter of the Gross National Product. Inflation and interest rates, according to several studies, would be heading towards 25 percent -- levels that would stifle enterprise and initiative and plunge the nation into even deeper economic crisis.

We had to address this economic problem first. History tells us of great nations brought to their knees by unchecked inflation and wild government spending.

Brooks Adams once put it this way: "Nature has cast the United States into the vortex of the fiercest struggle which the world has ever known. She has become the heart of the economic system of the age, and she must maintain her supremacy by wit and force, or share the fate of the discarded."

At this point last year much of the smart money in Washington was betting -- as it is today -- on the failure of our proposals for restoring the economy; that we could never assemble the votes we needed to get our Program for Economic Recovery through the Congress.

But assemble the votes we did:

- For the first time in nearly 25 years we slowed the spending juggernaut and got the taxpayers out from under the federal steamroller.
- We cut the rate of growth in federal spending almost in half.
- We lowered inflation to a single-digit rate and it's still going down -- it was 8.9 percent in 1981 but our January figure at an annualized rate was only 3.5 percent. By reducing inflation we increased the purchasing power of poor families by more than \$250.
- We cut taxes for businesses and individuals and indexed taxes to inflation. This last step ended once and for all that hidden profit on inflation that had made the federal bureaucracy America's largest growth industry.

-More-

- We've moved against waste and fraud with a task force including our Inspectors General who have already found thousands of people who've been dead for as long as seven years still receiving benefit checks. We've concentrated on criminal prosecutions and we've cut back in other areas like the multitude of films, pamphlets and public relations experts -- or as we sometimes call them, "The Federal Flood of Flicks, Flacks and Fold-Outs."
- We're cutting the size of the federal payroll by 75,000 over the next few years -- and are fighting to dismantle the Department of Energy and the Department of Education, agencies whose policies have frequently been exactly the opposite of what we need for real energy growth and sound education for our children.

Even now -- less than five months after our program took full effect -- we've seen the first signs of recovery. In January, leading economic indicators like housing permits showed an upturn. By 1983, we will begin bringing down the percentage of the Gross National Product consumed by both the federal deficit and by federal spending and taxes.

Our situation now is in some ways similar to that which confronted the United States and other western nations shortly after World War II. Many economists then were predicting a return to depression once the stimulus of wartime spending was ended. But people were weary of wartime government controls -- and here and in other nations like West Germany, those controls were eliminated against the advice of some experts. At first there was a period of hardship, higher unemployment, and declining growth -- in fact, in 1946, our Gross National Product dropped 15 percent. But by 1947, it was holding steady, and in 1948 increased by four percent. Unemployment began a steady decline and in 1949 consumer prices were decreasing.

A lot of the experts underestimated the economic growth that occurs once government stops meddling and the people take over -- they were wrong then and they're wrong now.

The job of this Administration and of the Congress is to move forward with additional cuts in the growth of federal spending and thereby insure America's economic recovery. We have proposed budget cuts for 1983 and our proposals have met with cries of anguish. And those who utter those cries are equally anguished because there will be a budget deficit. They are a little like a dog sitting on a sharp rock howling with pain when all he has to do is get up.

On the spending cuts now before the Congress and those tax reductions we have already passed for the American people, let me state: We are standing by our program, we will not turn back, or sound retreat just as we near victory.

In the discussion of federal spending the time has come to put to rest the sob sister attempts to portray our desire to get government spending under control as a hardhearted attack on the poor people of America.

In the first place, even with the economies we have proposed, spending for entitlements -- benefits paid directly to individuals -- will actually increase by one-third over the next five years, and in 1983, non-defense items will amount to more than 70 percent of total spending.

-More-

As Dave Stockman pointed out the other day, we are still subsidizing 95 million meals a day. We are still providing \$70 billion in health care to the elderly and the poor -- some 47 million people. Some 10 million are living in subsidized housing and we are still providing scholarships for a million and half students.

Only here in this city of Oz would a budget this big and this generous be characterized as a miserly attack on the poor.

Where do some of these attacks originate? They are coming from the very people whose past policies -- all done in the name of compassion -- brought us the current recession. Their policies drove up inflation and interest rates. And their policies stifled incentive, creativity and halted the movement of the poor up the economic ladder.

Some of their criticism is perfectly sincere. But let's also understand that some of their criticism comes from those who have a vested interest in a permanent welfare constituency and in government programs that reinforce the dependency of our people.

I would suggest that no one should have a vested interest in poverty or dependency -- that these tragedies must never be looked at as a source of votes for politicians or paychecks for bureaucrats -- they are blights on our society that we must work to eliminate, not institutionalize.

There are those who will always require help from the rest of us on a permanent basis and we will provide that help. To those with temporary need, we should have programs aimed at making them self-sufficient as soon as possible.

How can limited government and fiscal restraint be equated with lack of compassion for the poor? How can a tax break that puts a little more money in the weekly paychecks of working people be seen as an attack on the needy? Since when do we in America believe that our society is made up of two diametrically opposed classes -- one rich, one poor -- both in a permanent state of conflict and neither able to get ahead except at the expense of the other? Since when do we in America accept this alien and discredited theory of social and class warfare? Since when do we in America endorse the politics of envy and division?

When we reformed the welfare system in California and got the cheaters and the undeserving off the welfare roles, instead of hurting the poor we were able to increase their benefits by more than 40 percent.

By reducing the cost of government we can continue bringing down inflation -- the cruelest of all economic exploitations of the poor and the elderly. And by getting the economy moving again, we can create a vastly expanded job market that will offer the poor a way out of permanent dependency.

So let's tell the American people the truth tonight and next fall about our Economic Recovery Program: It isn't for one class or group -- it's for all Americans: Working people, the truly need, the rich and the poor.

One man who held this office, a president vastly underrated by history, Calvin Coolidge, pointed out that a Nation that is united in its belief in the work ethic and its desire for commercial success and economic progress, is usually a healthy nation -- a Nation where it is easier to pursue the higher things in life like the development of science, the cultivation of the arts, the exploration of the great truths of religion and higher learning.

MORE

In arguing for "economy" in government, President Coolidge spoke of the burden of excessive government. "I favor a policy of economy," he said, "not because I wish to save money, but because I wish to save people. The men and women of this country who toil are the ones who bear the cost of the government. Every dollar that we carelessly waste means that their life will be so much the more meager. Every dollar that we save means that their life will be so much the more abundant. Economy is idealism in its most practical form."

And this is the message we conservatives can bring to the American people about our economic program. Higher productivity, a larger Gross National Product, a healthy Dow Jones average, they are our goals and they are worthy ones.

But our real concerns are not statistical goals or material gain. We want to expand personal freedom, to renew the American dream for every American. We seek to restore opportunity and reward, to value again personal achievement and individual excellence. We seek to rely on the ingenuity and energy of the American people to better their own lives and those of millions of others around the world.

We can be proud of the fact that a conservative Administration has pursued these goals by confronting the Nation's economic problems head-on. At the same time, we dealt with one other less publicized, but equally grave problem: The serious state of disrepair in our national defenses. The last Democratic Administration had increased real defense spending at a rate of 3.3 percent a year. By 1980 we had fighter planes that couldn't fly; Navy ships that couldn't leave port; a Rapid Deployment Force that was neither rapid, nor deployable, and not much of a force.

The protection of this Nation's security is the most solemn duty of any President: That is why I have asked for substantial increases in our defense budget -- substantial but not excessive. In 1962, President Kennedy's defense budget amounted to 44 percent of the entire budget. Ours is only 29 percent. In 1962 President Kennedy's request for military spending was 8.6 percent of the Gross National Product; ours is only 6.3 percent.

The Soviet Union outspends us on defense by 50 percent -- an amount equal to 15 percent of their Gross National Product. During the campaign I was asked any number of times, if I were faced with a choice of balancing the budget or restoring our national defenses what would I do. Every time I said I would restore our defenses and every time I was applauded for giving that answer.

So let me be very clear: We will press for further cuts in federal spending, we will protect the tax reductions already passed, we will spend on defense what is necessary for our national security. I have no intention of leading the Republican Party into next fall's election on a platform of higher taxes and cut-rate defense.

If our opponents want to go to the American people next fall and say: We're the party that refused to cut spending, we're the party that tried to take away your tax cuts, we're the party that wanted a bargain basement military and held a fire sale on national security, we'll give them all the running room they want.

There are other matters on the political agenda for this coming year -- matters I know that you have been discussing during the course of this conference.

I hope one of them will be our attempt to give government back to the people. One hundred thirty-two federal grants-in-aid in 1960 have grown to over five hundred in 1981. Our federalism proposal would return the bulk of these programs to state and local governments where they can be made more responsive to the people.

MORE

We are deeply committed to this program because it has its roots deep in conservative principles. We have talked a long time about revitalizing our system of federalism. Now with a single bold stroke we can restore the vigor and health of our state and local governments. This proposal lies at the heart of our legislative agenda for the next year and we will need your active support in getting it passed.

There are other issues before us. This Administration is unalterably opposed to the forced busing of school children, just as we also support Constitutional protection for the right of prayer in our schools.

And there is the matter of abortion. We must with calmness and resolve help the vast majority of our fellow Americans understand that the more than one and a half million abortions performed in America in 1980 amount to a great moral evil, an assault on the sacredness of human life.

Finally, there is the problem of crime -- a problem whose gravity cannot be underestimated. This Administration has moved, in its appointment to the Federal Bench and in its legislative proposals for bail and parole reform, to assist in the battle against the lawless. But we must always remember that our legal system does not need reform so much as it needs transformation -- and this cannot occur at just the federal level -- it can really occur only when society as a whole acknowledges principles that lie at the heart of modern conservatism: Right and wrong matters, individuals are responsible for their actions, society has a right to be protected from those who prey on the innocent.

This then is the political agenda before us -- perhaps more than any group, your grassroots leadership, your candidate recruitment and training programs, your long years of hard work and dedication have brought us to this point and made this agenda possible.

We live today in a time of a climactic struggle for the human spirit -- a time that will tell whether the great civilized ideas of individual liberty, representative government and the rule of law under God will perish or endure.

Whittaker Chambers, who sought idealism in communism and found only disillusionment, wrote movingly of the moment of awakening. He was looking at the delicate ear of his tiny daughter. Suddenly he knew that could not be just an accident of nature and he said -- he didn't realize it at the time but in that moment God had touched his forehead with his finger. Later he wrote: "For in this century, within the next decades, will be decided for generations whether all mankind is to become communist, whether the whole world is to become free, or whether, in the struggle, civilization as we know it is to be completely destroyed or completely changed. It is our fate to live upon that turning point in history."

We have already come a long way together. Thank you for all you have done for me, and for the common values we cherish.

Join me in a new effort, a new crusade. Nostalgia has its time and place. Coming here tonight has been a sentimental journey for me as I'm sure it has been for many of you.

But nostalgia isn't enough. The challenge is now. It's time we stopped looking backwards at how we got here. We must ask ourselves tonight how we can forge and wield a popular majority from one end of this country to the other -- a majority united on basic, positive goals with a platform broad enough and deep enough to endure long into the future, far beyond the lifespan of any single issue or personality.

MORE

We must reach out and appeal to the patriotic and fundamental ideals of average Americans who do not consider themselves "movement" people, but who respond to the same American ideals we do. I'm not talking about some vague notion of an abstract, amorphous American mainstream. I'm talking about Main Street Americans in their millions. They come in all sizes, shapes and colors -- blue collar workers, blacks, hispanics, shopkeepers, scholars, service people, housewives and professional men and women. They are the backbone of America, and we cannot move America without moving their hearts and minds as well.

Fellow Americans, our duty is before us tonight -- let us go forward determined to serve selflessly a vision of man with God, government for people, and humanity at peace.

For it is now our task to tend and preserve -- through the darkest and coldest of nights -- that "sacred fire of liberty" that President Washington spoke of two centuries ago -- a fire that remains tonight a beacon to all the oppressed of the world, shining forth from this kindly pleasant greening land called America.

#